
Program Audit: Commercial Agriculture Program

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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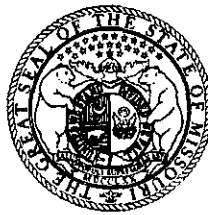
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September, 1996

Members of the General Assembly:

As authorized by Chapter 23, RSMo, the Committee on Legislative Research adopted a resolution in June, 1995 directing the Oversight Division to perform a program audit of the University of Missouri's Commercial Agriculture Program. The audit included the examination of records and procedures in the agency to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties.

The accompanying report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates.

Respectfully,

A handwritten signature in cursive script, reading "Donald Prost".

Representative Donald Prost, Chairman

A handwritten signature in cursive script, reading "Harry Wiggins".

Senator Harry Wiggins, Vice-Chairman

PROGRAM AUDIT OF THE UNIVERSITY OF MISSOURI'S COMMERCIAL AGRICULTURE PROGRAM

Summary of Oversight Division's Findings

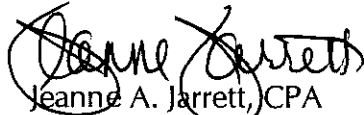
The Commercial Agriculture Program currently receives state appropriations of approximately \$1.8 million annually to carry out the following functions: 1) a focus team approach to help agriculture producers consider all aspects of crop and animal production; 2) an intelligence network with specific information for users; 3) research and demonstration projects to inform producers of new innovations and technology; and 4) seminars and workshops aimed at boosting farm profit. Commercial Agriculture literature states that their resources are directed at farms where a substantial part of the family's income is from farming and agricultural businesses that support those farms. The focus of most of the program's efforts has generally been on the largest producers in the state.

Is the Commercial Agriculture Program operating efficiently and effectively?

The effectiveness of the Program is evidenced by the many accomplishments to which it is credited. Among them are the Agriculture Bulletin Board, the MO-Flex Building Design Plan, the Missouri System of Swine Production, the Missouri Dairy Plan and others. Overall, the Commercial Agriculture Program is meeting its objectives; however, if the resources provided to the program were fully utilized for program activities, more could be accomplished for the farmers of Missouri. An examination of the records revealed instances of assistance provided to out-of-state farmers and inadequate records related to outside consulting work performed by Program personnel. Foreign travel increased 77% during a two-year period while domestic travel increased 41% during the same time period. Based on a review of focus team duties, activities and travel, Oversight questions whether the Program is achieving maximum effectiveness from the use of its resources and recommends changes to policies governing travel authorization, consulting and copyright materials to ensure proper use of their resources. It should be noted that the University's general policies regarding this matter are similar to the policies of most other large universities.

Are State resources provided to the Commercial Agriculture Program being used as intended? The financial records of the Commercial Agriculture Program did not represent the actual cost of the Program. Based on Oversight's calculations of estimated costs, it appears that the actual costs of the program significantly exceeded the annual appropriations during the period audited. Oversight's estimated costs included additional personal service costs for those personnel not charged to the program, but for which the program provided estimates of time spent on the program, and additional personal service costs for certain administrative personnel and focus team members. Also, due to the funding of some Program personal services and expenses from other programs within the University, the Program's financial records reflected an annual carryover of state appropriations for each of the fiscal years audited, even though by state Constitution such appropriations lapse six months following the end of the fiscal year for which they are made.

The following report contains our findings and recommendations for changes to management policies and procedures. Official responses from the University of Missouri are also incorporated into the report. Our audit was performed in accordance with generally accepted government auditing standards as they relate to program and performance audits. We did not examine departmental financial statements and do not express an opinion on them.

A handwritten signature in black ink, appearing to read "Jeanne Jarrett", is written over the printed name.

Jeanne A. Jarrett, CPA
Director, Oversight Division

Introduction

The Joint Committee on Legislative Research directed the Oversight Division to conduct a program audit of the Commercial Agriculture Program within the University of Missouri Extension. This audit provides the General Assembly with information as to whether the Commercial Agriculture Program is operating efficiently and effectively, and whether state resources are being used as intended.

Background

The University of Missouri Commercial Agriculture program to encourage commercial farming operations was begun in 1987 with a \$300,000 appropriation from the Missouri General Assembly. Since the initial funding in 1987 the General Assembly has added \$250,000 in FY 1989, \$200,000 in FY 1990 for the Swine focus team, \$250,000 in FY 1991 for the Dairy focus team, \$400,000 in FY 1995 for the Crops focus team, and \$350,000 in FY 1996 for the Beef focus team. The Commercial Agriculture Program currently has an annual budget of \$1.8 million.

There are four major elements within the Commercial Agriculture Program. These elements are 1) a Focus team approach to help agriculture producers consider all aspects of crop and animal production; 2) an Intelligence Network with specific information for users; 3) Research and Demonstration Projects to inform producers of new innovations and technology; and 4) Seminars and Workshops aimed at boosting farm profit.

The Commercial Agriculture Program currently has 21 full time equivalent personnel, including a Program Coordinator. The Program is organizationally aligned under the Vice President for University Outreach and Extension. The focus team members physically reside in the department of their academic discipline; but their duties require that they report to their Department Chair or Unit Leader, and the Program Coordinator. The daily efforts of the focus team members are supplemented by other extension personnel, and numerous projects are accomplished in conjunction with University Extension.

The goals for each of the Focus teams were established by a task force. These task forces are comprised of individuals that are considered to be leaders in their field, and include some of the leading farmers in this state. The Program selects only the

top individuals in their field for positions on the focus teams, and candidates for these positions endure a rigorous selection process which includes several interviews and a presentation before a group of their academic peers in the University.

The Commercial Agriculture Program has achieved significant accomplishments, some of which are: the Agricultural Electronic Bulletin Board, the MO-FLEX Building Design Plan, the Missouri System of Swine Production, the Missouri Dairy Plan, the Score 202 Dairy Evaluation Model, a patented method of preserving Hay Bales with Tallow, the Commercial Ag Newsletter, the placement of Weather Stations throughout the state; and the annual Swine, Beef, and Dairy institutes. The Commercial Agriculture Program also cites the following accomplishments: An economic analysis spreadsheet computer program for Swine, an early weaning marketing plan for weaner pigs, the Commercial Agriculture Dairy Simulation Model, a strategic plan for Missouri's Dairy Industry, the Missouri System of Raising Dairy Replacements, and various crop research efforts.

Commercial Agriculture Program literature states that their resources are directed at 1) farms where a substantial part of the family's income is from farming and 2) agricultural businesses that support those farms. While the Commercial Agriculture Program provides assistance to any Missouri farmer upon request, the focus of most efforts is on the largest agricultural producers in the state.

Objectives

The primary objectives of the audit are to inform the General Assembly whether the funds appropriated to the Commercial Agriculture Program are being used as intended, and management is operating in an efficient and effective manner. Specifically, the audit focused on the following six objectives:

- ▶ To evaluate the overall effectiveness of the Commercial Agriculture Program.
- ▶ To determine whether a duplication of efforts exists between the Commercial Agriculture Program, and other University or State programs.
- ▶ To evaluate the budgeting procedures and expenditure controls within the Commercial Agriculture Program.

- ▶ To evaluate revenue sources of the Commercial Agriculture Program other than state appropriations.
- ▶ To evaluate the selection of the Commercial Agriculture Program's task force members.
- ▶ To evaluate the selection and operation of the Commercial Agriculture Program's Focus Team members and projects.

Scope

The scope of the audit focused on the operations of the Commercial Agriculture Program for fiscal years 1993 through 1995. Pertinent records reviewed for that time period included financial summaries, detailed expenditure transactions and supporting documentation, program budgets, position descriptions, seminar evaluations, and promotional literature of the program.

Methodology

The Oversight Division conducted the audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States, as those standards relate to performance audits. The methodology used by the Oversight Division included sample tests of transactions, interviews with University and Program personnel, and evaluations of management controls to the extent necessary to fulfill our audit objectives. The Oversight Division concentrated primarily on the following procedures:

- ▶ Reviewing records of activities conducted by Focus Teams, as well as position descriptions for the team members.
- ▶ Reviewing the University's Conflict of Interest Policy and its policies regarding royalties for Inventions and Copyrights, as they relate to personnel of the Commercial Agriculture Program.
- ▶ Reviewing summary financial information, including budgeted and actual expenditures charged to the Program.

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- ▶ Reviewing the allocation of personal service costs charged to the Program, and also the listing of personnel costs not charged to the Program.
- ▶ Reviewing a sample of detailed transactions and supporting documentation for selected Program expenditure accounts.
- ▶ Conducting numerous interviews with various University and Commercial Agriculture Program personnel.
- ▶ Conducting a survey of farmers throughout the state.
- ▶ Reviewing on-site the operations of several farms, an Extension Field Day, and a County Extension Office.

**Findings/
Recommendations/
Agency Responses**

FINDING #1: The financial records of the Commercial Agriculture Program did not represent the actual cost of the program.
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Oversight was unable to determine the actual cost of the program. Until fiscal year 1995 the program did not prepare schedules summarizing the total costs charged to the program. For audit purposes Oversight was provided schedules summarizing the total costs charged to the program for the fiscal years audited. However, it appears that the personal service costs allocated to the program are the result of arrangements made between the program and other University departments and colleges. No time sheets are maintained by personnel, so it is not possible to compute the actual amount of personal service costs required to administer the program. Schedules were presented to Oversight during the audit listing a portion of the personnel and their estimated percentage of time devoted to the program. It was also noted that numerous expenditures for travel and training of University Extension personnel were charged to the program during the audit period. Furthermore, revenues generated at least in part by program activities, such as the sale of the manuals developed by the program and the sales of produce from

certain demonstration fields, are credited to University Extension rather than allocated in part to the program.

While it appears that most costs examined were related to the concept of agriculture, it does not necessarily follow that they were related to the Commercial Agriculture program specifically. Because of the practice of the Commercial Agriculture program paying for Extension costs, it is not possible to determine the true cost of the Commercial Agriculture program alone. Likewise, a comparison cannot be made of the actual total costs to the amount of state funding appropriated annually by the legislature. Therefore, Oversight cannot conclusively determine if the funding received is adequate to offset program costs. Based on Oversight's calculations of estimated costs, it appears that the actual costs of the program significantly exceeded the annual appropriations during the period audited. Oversight's estimated costs included additional personal service costs for those personnel not charged to the program, but for which the program provided estimates of time spent on the program, and additional personal service costs for certain administrative personnel and focus team members.

RECOMMENDATION TO FINDING #1

Oversight recommends that the program consider charging its actual costs to program accounts, and that financial summaries prepared by the program include all income and expenses of the program. This would enable management, the General Assembly, and other interested parties to ascertain the true cost of the program and compare the true cost to annual state appropriations.

Agency Response to Finding #1

This finding is correct. The state's investment is leveraged to maximize the efficiency and impact of Commercial Agriculture programs and resources. Because of the importance of the Commercial Agriculture program, the University is investing additional resources in the fulfillment of its goals to serve the state. All Commercial Agriculture funds are, and have been, used for Commercial Agriculture program purposes. By intent and design, Commercial Agriculture funds are used with other funds to develop a program that reaches more people with more programs than would be possible if only Commercial Agriculture funds were used.

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Adequate records are in place and have been provided to Oversight to ascertain the cost of the Commercial Agriculture program. Records identifying the use of funds specifically appropriated and allocated to Commercial Agriculture were provided to Oversight.

Faculty who are supported with Commercial Agriculture funds and all other University faculty are not required to keep time sheets. Faculty members at the University of Missouri and at other major universities are not hourly employees. Faculty members are professionals, who are expected to devote the time and effort necessary to fulfill their professional responsibilities for teaching, research and service. Faculty members are evaluated on the basis of the quality and scope of their performance in these efforts.

FINDING #2:	The Commercial Agriculture program's financial records reflect an annual carryover of state appropriations for each of the fiscal years audited, even though by state Constitution such appropriations lapse six months following the end of the fiscal year for which they are made.
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For each of the years audited, the program's budget equaled the carryover amount from the prior year plus the current annual appropriation. The carryover amounts resulted from expenditures charged to the program being less than the state appropriations. According to Article IV, Section 28 of the Missouri Constitution, state appropriations expire six months after the end of the period for which made. Because the program is funded solely by state appropriations, there should be no carryover since the amounts would lapse if not used. Apparently the funds have not lapsed, and it appears that University Extension has used the excess funds appropriated to the program on an annual basis. Because the Commercial Agriculture Program is allowed to reflect and utilize carryover amounts, on a cumulative basis the program is retaining its claim to amounts appropriated specifically to it. Oversight noted that once amounts specifically appropriated to the program become part of the core budget, the annual appropriation bill does not specify how much of the appropriation to the University of Missouri is earmarked for the Commercial Agriculture program; however, Oversight assumes that the intent of the legislature would be that amounts appropriated for the program, since its inception, would remain as part of the core budget for the program. There appears to be a significant time lag between receipt of a specific appropriation, such as for the Swine focus, and in the hiring of the focus team members, which

contributes to the program's failure to spend the annual appropriations in the corresponding fiscal year. Furthermore, there appear to be significant costs incurred by the program for personal services that are not charged to program accounts, but that are charged to other University or Campus accounts.

RECOMMENDATION TO FINDING #2

Oversight recommends that the program consider reflecting all program costs, chargeable against the annual state appropriation. If costs are not equal to or in excess of the annual appropriation, then any unspent appropriation should lapse as with other state-funded agencies, rather than being spent by other University departments.

Agency Response to Finding #2

University records indicate that no appropriations for Commercial Agriculture have been carried over from year to year. State-appropriated Commercial Agriculture funds are received as part of the total University budget. The University has expended all state funds each year; therefore, there is no carryover of state funds for the Commercial Agriculture program. As noted by the auditors, the expenditures for Commercial Agriculture exceed the annual state appropriations for the Commercial Agriculture program. As also indicated by the auditors, faculty resources from throughout the University, including campus and field-based resources, contribute to programs to benefit Missouri's commercial agriculture industry. The use of legislatively appropriated funds is clearly identified and reported through the University's accounting system.

Oversight's Comment:

Commercial Agriculture financial records, including annual budgets, provided to Oversight for each of the three years audited did reflect amounts designated as "carryover" available for the subsequent fiscal year. These amounts were \$738,107 for FY 93, \$615,935 for FY 94, and \$643,508 for FY 95.

FINDING #3: Overall, the Commercial Agriculture program is meeting its objectives; however, if the resources provided to the program were fully utilized for program activities, more could be accomplished for the farmers of Missouri.

Based on a review of focus team duties, activities, and travel, Oversight questions whether the Program is achieving maximum effectiveness from the use of its resources.

The policy of the program is to provide assistance to Missouri farmers, and the agricultural businesses that support those farms. However, there were 5 records of assistance (farm visits) noted that were done by team members for out-of-state farmers. Some examples of assistance provided were 3 detailed financial analyses, and veterinary advice to improve reproductive efficiency. Oversight found in a sample of travel expenditures that University funds were used to travel to visit at least one of these out-of-state farmers. Due to the lack of time records kept by focus team members, Oversight could not determine whether these 5 visits were done on University time, or consisted of outside consulting work done by team members. Oversight could not find any evidence of a benefit to Missouri farmers as a result of the out-of-state farm visits. It appears to be inappropriate for team members to travel at University expense to assist out-of-state farmers regardless of whether it was done as a program activity or as personal consulting.

The job duties of the Swine team were reviewed, and were found to be consistent with the goals that were set by the task force with one exception. The Economist for the Swine team appears to currently have different duties as compared to what they were when the position was first hired. Originally, this position spent a lot of time working to help farmers in acquiring access to capital and other economic analysis work. Oversight found in the review of farm visit records, that the records of the Swine team Economist do not show any farm visits after April of 1994, and records up to that date showed very little detail. Recently, the focus has been on developing packing plants in this state and attending speaking engagements. Because of these recent additional duties, the Swine team had to hire an Extension Associate to help this position with economic analysis work. It was not clear when this change of duties occurred, but in talking with personnel it appears that the change occurred approximately 2 years ago when the leader of the Swine Team changed, and this coincided with the date that the Extension Associate was first hired.

Focus team members are located in various departmental units and these personnel are involved in departmental research, lecturing, committee work, and supervise research being done by graduate students. Due to the lack of time records for focus team members, we could not determine the amount of time that focus team members spent working on departmental duties. It would seem that focus team members who are fully funded by the program should concentrate all of their efforts on the program.

Focus team members travel on a regular basis both in the United States and internationally to make presentations, or to attend agricultural conferences and meetings. Examples of international trips during the audit period include Thailand, the Netherlands, the Czech Republic, and England, some of which were partially or wholly funded by unidentified sources. Two Swine focus team members travelled at least 218 days out-of-state and abroad during the audit period. One member of the Swine focus team submitted expense reimbursement requests to the University for 138 days of out-of-state and foreign travel. Domestic travel reimbursed by the program increased 41% in a two year period, while foreign travel increased 77%. Due to the lack of time records for focus team members Oversight could not determine whether presentations at conferences were done as part of team members' program duties or were in conjunction with outside consulting work done by team members. Oversight questions whether the benefits derived from the travel justified the amount of staff time and program resources expended.

RECOMMENDATIONS TO FINDING #3

An evaluation and adjustment of the duties of focus team members should be made as necessary, to ensure that their duties are devoted solely to meeting the goals of the Commercial Agriculture program.

While Oversight recognizes that the University's travel policies do not require prior authorization of domestic travel, Oversight believes that travel by focus team members should be pre-approved by the Program Coordinator in order to ensure that Commercial Agriculture funds are expended only for the benefit of the program.

Agency Response to Finding #3

The University agrees with the Oversight finding that the Commercial Agriculture program is fulfilling its objectives. The University does not agree with the

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Oversight inference that all Commercial Agriculture funds are not being used for program activities. In fact, all resources provided to the Commercial Agriculture program are used for program activities. The University believes that all people who are fully funded by the program do concentrate all their efforts on the program.

The Commercial Agriculture program coordinator and other administrative personnel evaluate each focus team member annually and adjust duties as appropriate to meet the goals of the Commercial Agriculture program. These adjustments have resulted in the program's success, as noted by Oversight, in fulfilling its program objectives. The work of most of the faculty involved in this program has changed in the last five years. To remain on the cutting edge of the swine, dairy, beef and crops enterprises, faculty constantly change what they do. What does not change is the mission of the Commercial Agriculture program to help Missouri producers and related industries be competitive and profitable.

Faculty travel out of state is for the purpose of gathering information and providing information that will help increase Missouri's commercial agricultural profitability. Such travel is expected, encouraged and essential. Missouri commercial agriculture producers compete nationally and internationally; therefore, occasional out-of-state international travel by Commercial Agriculture faculty who are on the leading edge in their fields is expected and encouraged. Travel by faculty, who are recognized nationally and internationally for their scholarship, is of direct benefit to Missouri citizens. Effective July 1, 1995, the Commercial Agriculture program coordinator monitors and approves all Commercial Agriculture travel vouchers. Internal controls are in place to assure that expenditures continue to be directly related to the advancement of purposes of the program.

FINDING #4:

The University of Missouri policy for outside consulting work done by Commercial Agriculture employees, although consistent with most other large universities, may not be sufficient to ensure that all consulting is proper and correctly reported.

Based on interviews with University personnel, it was evident that employees of the Commercial Agriculture program are not certain what the official University policy is for consulting activities. It was also noted that the year-end reporting

requirements were so minimal that the University does not know how much consulting is done, who it is done for, or what type of consulting is being done by focus team members. It appears that the lack of documentation is due in part to the fact that consulting is tracked by the department in which the focus team member physically resides. The University policy does not provide for a uniform method of reporting, and each department has been allowed to develop their own procedures for the tracking of consulting work done by team members. The University policy also exempts presentations made by focus team members at professional conferences and seminars, even if honoraria are provided.

The University of Missouri Conflict of Interest policy adopted on January 25, 1990 prohibits Commercial Agriculture employees from competing with the work that is being done by the University. However, given the minimal amount of documentation that is collected on outside consulting work, it is impossible to determine whether focus team members are in compliance with the policy. It was also unclear as to whether consulting was being done on University time or on personal time. In reviewing expense records of the program there was a great deal of travel by focus team members to various assorted association meetings, conferences, seminars, etc. Due to the lack of record keeping it was impossible to determine if focus team members traveled at University expense to a conference to make a presentation, and then were allowed to keep any honoraria provided or if they conducted any consulting work in conjunction with travel done in their official capacity with the University. Although the results of Oversight's survey of other state universities revealed a similar treatment of outside consulting done by their faculty, excessive outside consultation, especially if performed on University time, could limit the ability of the focus teams to achieve the goals of the Commercial Agriculture program.

RECOMMENDATIONS TO FINDING #4

The University policy on consulting by staff of the Commercial Agriculture Program should be modified so that it clearly describes consulting activities. The policy should also state clearly that consulting activities carried out for personal gain by program personnel are not allowed to be done on University time or at University expense.

The reporting procedures for consulting work should be modified so that they are uniform for all program personnel and should require enough information to easily determine the nature of consulting work performed, when it was done, and for

whom.

Training should be conducted for all employees of the Commercial Agriculture program so that they are aware of the policy concerning outside consulting work and the necessary reporting that is required for that work.

Agency Response to Finding #4

The Board of Curators policies on consulting and conflict of interest are sufficient. University policies on consulting apply to all faculty, including those assigned to the Commercial Agriculture program. A separate policy for Commercial Agriculture faculty is not appropriate. Commercial Agriculture faculty must be governed by the same policies that apply to all other University of Missouri faculty. Information related to these policies is provided to each new faculty member during orientation. The policy is available to each faculty member and is easily accessible.

The University requires all faculty, on an annual basis, to report all consulting activities, the number of days involved, and the nature of the firm or organization for whom it is done. The University's consulting policy requires the faculty member to take the initiative in identifying possible conflicts of interest. Oversight found no instances of violation. Oversight made no finding to support the conclusion that consulting by Commercial Agriculture faculty members is "excessive" or that any reported consulting, in any way, limited the ability of the program to achieve its goals.

Oversight's Comment:

While it is true that Oversight found no violation of the current University policy for the reporting of consulting, current record keeping and reporting requirements are not sufficient to determine whether all consulting is proper and correctly reported.

FINDING #5:

A review of detailed expenditures revealed certain instances where costs charged to the Commercial Agriculture program were not classified consistently; and instances where costs charged may have been inappropriate or were not approved by the program coordinator.

Oversight noted several out-of-state presentations by focus team members, which included an investor group, a farm cooperative, and other producers, as well as visits to out-of-state farms. In addition, expenditures have been charged to the program representing meals for persons external to the program, including consultants and farm advisors from a University in another state. The coordinator of the program does not approve all travel vouchers of certain focus team members, although the University's travel policies require that all travel expense vouchers be signed by the employee and the administrative official responsible for the funds from which the expenses are being paid.

There were also numerous instances where it appeared that similar expenditures were being classified differently. For example, travel expenses for similar planning meetings were charged to Program Management and to specific regional accounts. The lack of consistency in charging expenditures to the program leads to a misrepresentation of the actual costs of specific activities. It raises the question of whether all instances of this were the result of errors or if they resulted because of budget limitations in certain accounts.

RECOMMENDATION TO FINDING #5

Oversight recommends that the Program Coordinator approve all travel expense vouchers charged to program funds to ensure they are appropriate. Oversight also recommends that consistent accounting treatment be given to similar expenditures, regardless of individual account budgets and their respective balances.

Agency Response to Finding #5

The University believes that all project costs have been classified consistently and appropriately. Changes in procedure have been made to ensure that the Commercial Agriculture program coordinator monitors and approves all travel

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expenditures. Further, one overall Commercial Agriculture account exists with sub-accounts established for projects. This process more correctly identifies the cost of separate activities.

FINDING #6:

University of Missouri policies on Inventions and Copyright materials are not consistent with each other and may not be uniformly enforced.

As employees of the University, the personnel of the Commercial Agriculture Program follow all rules and regulations that apply to University employees and faculty. Based on a review of University records, it was evident that the University does not apply the same standard to Inventions as it does to Copyright material. University policy on Copyright material only governs the ownership and use of University sponsored educational materials but allows for personal ownership of books and similar materials not commissioned by the University, or not supported by substantial University resources. University policy on Inventions requires that all employees assign the rights to the University for any invention discovered during the course of their duties with the University. In return, the University assumes responsibility for the costs of securing the patent, and allows the inventor to retain one-third of royalties received. University personnel writing books not commissioned by the University are allowed to keep all royalties received. A survey conducted by Oversight of other large universities revealed similar policies regarding invention and copyright materials.

In the case of inventions, University policy controls employees who are using discoveries gained as a result of their employment and in the case of Copyright materials, University policy does not clearly define what rights the University has when employees write books and other materials using research and knowledge gained as a result of their employment. For example, Oversight reviewed a book contract which allowed for the payment of compensation to the authors, both of which are focus team members; however, this contract did not provide any compensation to the University or the Commercial Agriculture Program. It was unclear during the review of University records whether books and other materials were written by focus team members on personal time or during University working hours, due to the fact that focus team members do not keep time records for their daily activities.

RECOMMENDATIONS TO FINDING #6

The University policy followed by Commercial Agriculture staff on Copyright material should be modified to provide more consistent guidance to ensure the proper use of University resources, and to prohibit their use solely for personal gain. Personnel within the Commercial Agriculture Program should receive training so that they are aware of the policies, and the Program Coordinator should monitor compliance with them.

Agency Response to Finding #6

These policies are established by the University Board of Curators, and, by intent and design, provide incentive for faculty members to produce creative and marketable works—to the benefit of the University and Missouri citizens. Such policies are standard for faculty at major research universities, which seek to encourage faculty productivity and performance. Commercial Agriculture team members and all other University of Missouri faculty members are governed by this policy. The University of Missouri Board of Curators reviews all policies periodically. Copyright policy information is provided during the orientation of new faculty.

